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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re:	:	Chapter 11
	:	Case Nos. 00 B 41065 (SMB)
RANDALL'S ISLAND FAMILY GOLF	:	through 00 B 41196 (SMB)
CENTERS, INC., <u>et al.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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OBJECTION BY DEBTORS AND DEBTORS-
IN-POSSESSION TO MOTION TO COMPEL
ASSUMPTION OR REJECTION OF LEASE
WITH ALL STATE ASSOCIATES OF
WEST PALM, LLC

TO THE HONORABLE STUART M. BERNSTEIN,
UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors-in-possession
(collectively, the "Debtors"), for their objection (the
"Objection") to the motion (the "Motion") of All State Associates
of West Palm, LLC ("All State") to compel assumption or rejection
of an unexpired lease of non-residential real property,
respectfully represent as follows:

Introduction

1. All State is seeking to compel the Debtors to
assume or reject an unexpired lease of non-residential real

property (the "Lease") between All State, as landlord by assignment, and GBGC Family Golf Centers, Inc., one of the above-captioned Debtors, as tenant, for certain real property located at 3100 Northlake Boulevard, Lake Park, Florida (the "Lake Park Property").

2. As All State knows, pursuant to the Sale Order (as defined below), the Debtors were authorized to enter into an agreement with Klak Golf, LLC ("Klak") dated August 1, 2000, as amended (the "Sale Agreement"), pursuant to which the Debtors agreed to sell 10 of their fee-owned properties and designation rights with respect to 24 of their leases (the "Sale Leases"), including the Lease.¹ Pursuant to the Sale Agreement, Klak has until October 9, 2000 to designate the assignment of the Sale Leases.

3. As All State has also been informed, on October 4, 2000, Klak notified the Debtors that it was designating for assignment certain of the Sale Leases, including the Lease. Because the Lease has been designated for assignment to Klak and the Debtors are therefore obligated to seek assumption and assignment of the Lease, All State's Motion is moot.

BACKGROUND

4. On May 4, 2000 (the "Filing Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. By order of this Court

¹ The Sale Agreement is currently scheduled to close on October 6, 2000.

dated as of the Filing Date, the Debtors' chapter 11 cases are being jointly administered. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties as debtors-in-possession.

5. The Debtors operate golf, ice skating and family entertainment centers throughout North America. As of the Filing Date, the Debtors owned and/or operated 100 golf facilities and 17 ice skating and family entertainment centers.

THE LEASE

6. Prior to the Filing Date, on or about December 31, 1996, GBGC Family Golf Centers, Inc. f/k/a Golden Bear Golf Centers, Inc. entered into the Lease. All State assumed the Lease by assignment on or about September 16, 1999 and is the landlord under the Lease. The Lease provides that the Debtors may use the Lake Park Property for the purpose of operating a golf driving range, pro shop, miniature golf course, batting cages, club repair facilities, golf school, game arcade and other related activities for a ten-year term.

THE MOTION IS MOOT

7. In connection with the process of evaluating all of their leases, the Debtors determined to dispose of 36 non-core and underperforming properties, including the Lake Park Property. The Debtors marketed these 36 properties and, after an omnibus sale hearing, entered into the Sale Agreement. By order dated September 7, 2000 (the "Sale Order"), this Court approved the Sale Agreement.

8. Pursuant to the terms of the Sale Agreement, Klak has until October 9, 2000, one day prior to the hearing on the Motion, to determine with respect to each Sale Lease whether they want to take an assignment of such Sale Lease, designate assignment of such Sale Lease to a third-party or not designate assignment, in which case such Sale Lease will remain with the Debtors. As noted above and previously communicated to All State's counsel, on October 4, 2000, Klak notified the Debtors that it would be designating the Lease for assignment to a wholly-owned subsidiary of Klak.

9. All State already has precisely the relief that it is requesting in the Motion -- a determination by the Debtors to assume or reject the Lease. Any issues that All State may have with respect to the cure of defaults under the Lease will be resolved in a separate proceeding with respect to the assumption of the Lease, as provided for in the Sale Order.

10. Although All State's counsel was made aware that the Debtors are obligated to seek assumption and assignment of the Lease pursuant to the Sale Agreement, they still insist on prosecuting the Motion. It appears what All State really wants is for the Debtors to reject the Lease. Rejection of the Lease, however, would be a breach of the Sale Agreement and jeopardize the entire \$16 million sale transaction. The Debtors believe that since a determination has been made to assume the Lease, All State has received the relief that it requested in the Motion and the Motion is moot.

CONCLUSION

For the reasons set forth herein, the Debtors request that the Court deny the relief requested in the Motion.

Dated: New York, New York
October 6, 2000

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